

**UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

ARTHUR NADEL,
SCOOP CAPITAL, LLC,
SCOOP MANAGEMENT, INC.,

Defendants.

CASE NO.: 8:09-cv-0087-T-26TBM

SCOOP REAL ESTATE, L.P.,
VALHALLA INVESTMENT PARTNERS, L.P.,
VALHALLA MANAGEMENT, INC.,
VICTORY IRA FUND, LTD,
VICTORY FUND, LTD,
VIKING IRA FUND, LLC,
VIKING FUND, LLC, AND
VIKING MANAGEMENT, LLC.

Relief Defendants.

**RECEIVER'S UNOPPOSED VERIFIED MOTION FOR APPROVAL OF SALE
OF REAL PROPERTY LOCATED IN LORAIN COUNTY, OHIO**

Pursuant to 28 U.S.C. § 754, Fed. R. Civ. P. 66, and Rule 3.01 of the Local Rules of the Middle District of Florida, Burton W. Wiand, as Receiver (the "Receiver"), respectfully moves the Court for entry of an order in substantially the form attached as Exhibit 1, approving the sale of real property located at 28 Nantucket Circle in Oberlin, Lorain County, Ohio.

BACKGROUND

On January 21, 2009, the Securities and Exchange Commission (“Commission”) initiated this action to prevent the defendants from further defrauding investors of hedge funds operated by them. That same day, the Court entered an order appointing Burton W. Wiand as Receiver for Defendants Scoop Capital, LLC (“Scoop Capital”) and Scoop Management, Inc. (“Scoop Management”) and Relief Defendants Scoop Real Estate, L.P.; Valhalla Investment Partners, L.P.; Valhalla Management, Inc.; Victory Fund, Ltd.; Victory IRA Fund, Ltd.; Viking IRA Fund, LLC; Viking Fund, LLC; and Viking Management, LLC (the “Order Appointing Receiver”). (*See generally* Order Appointing Receiver (Doc. 8).)

The Court subsequently granted several motions to expand the scope of the Receivership to include other entities owned or controlled by Arthur Nadel (“Nadel”). (*See generally* Docs. 17, 44, 68, 81, 153, 172, 454.) All of the entities and the trust in receivership are hereinafter collectively referred to as the “Receivership Entities.”

Pursuant to the Order Appointing Receiver, the Receiver has the duty and authority to: “administer and manage the business affairs, funds, assets, choses in action and any other property of the Defendants and Relief Defendants; marshal and safeguard all of the assets of the Defendants and Relief Defendants; and take whatever actions are necessary for the protection of the investors.” (Order Appointing Receiver at 1-2.) In particular, the Receiver was directed to:

[t]ake immediate possession of all property, assets and estates of every kind of the [Receivership Entities], whatsoever and wheresoever located belonging to or in the possession of the [Receivership Entities], including but not limited to all offices maintained by the [Receivership Entities], rights of action, books, papers, data processing records, evidences of debt, bank accounts, savings accounts, certificates of deposit, stocks, bonds, debentures and other

securities, mortgages, furniture, fixtures, office supplies and equipment, and all real property of the [Receivership Entities] wherever situated, and to administer such assets as is required in order to comply with the directions contained in this Order, and to hold all other assets pending further order of this Court

(*Id.* at 2.)

THE PROPERTY

The real property which is the subject of this Motion is a condominium located at 28 Nantucket Circle in Oberlin, Lorain County, Ohio (the “Property”). The Property was built in 2000, is 1,371 square feet, and has three bedrooms and two bathrooms. The Lorain County Auditor listed the market value of the Property at \$134,400.00 and the assessed value of the Property at \$47,040.00 in 2010. The Property is not subject to any liens or encumbrances.

The Property was purchased by Nadel on or about September 23, 2003, for \$162,700.00 with funds held in an account of Intex Trading Corp. (“Intex”) ¹ and was originally titled in Nadel's name. Nadel transferred title to the Property to the Clark/Nadel Revocable Trust on or about September 2, 2004. On October 9, 2008, Nadel, as Trustee of the Clark/Nadel Revocable Trust, executed a Fiduciary Deed of Trustee which transferred title to the Property to Christopher Nadel, his son. The Receiver contacted Christopher Nadel in June 2009, advised him of the foregoing, and requested he transfer title to the Property to the Receiver. Christopher Nadel voluntarily executed a Quit-Claim Deed transferring title to the Property to the Receiver on July 15, 2009, and the Quit Claim Deed was subsequently

¹ Nadel created Intex and at all times was its sole director and officer. Intex was the General Partner of Scoop Investments, Ltd., which is the predecessor of receivership entity Victory Fund, Ltd. On November 27, 2002, Scoop Investments, Ltd. was renamed Victory Fund, Ltd. On December 20, 2002, Intex was replaced by receivership entity Scoop Capital, LLC as Victory Fund, Ltd’s general partner.

recorded in the public records of Lorain County, Ohio. *See* Exhibit 2. The Property is not subject to any liens or encumbrances and no claims have been filed in the Receivership which are connected in any way to the Property.

RECEIVER'S MARKETING EFFORTS

The Receiver initially marketed the Property to potential purchasers through his website, www.nadelreceivership.com, in a specific "Assets for Sale" section, but there was little interest in the Property. In September 2009, the Receiver engaged the services of Howard Hanna Real Estate Services, and the property was listed for \$143,000.00. The list price was lowered to \$129,000.00 in December 2009 after receiving little interest in the Property. Howard Hanna Real Estate Services' listing agreement expired in March 2010 and was not renewed. The Receiver placed several advertisements in a local newspaper in an effort to locate an interested buyer for the Property. Between March 2010 and July 2011, the Receiver was presented with one offer that would have netted the Receivership Estate less than \$100,000.00, but the offer was declined because the Receiver did not believe an amount less than \$100,000.00 sufficiently represented the fair market value of the Property.

In August 2011, the Receiver was presented with an offer from David W. Clark ("Purchaser"). On August 26, 2011, the Receiver and the Purchaser entered into a Purchase and Sale Agreement (the "Agreement") for the purchase price of \$100,000.00 net to the Receiver (minus pro-rated real estate taxes for 2011 up to the date of closing), contingent on this Court's approval. *See* Exhibit 3. The Receiver believes that the offer by Purchaser fairly represents the current value of the Property. As part of the Agreement, Purchaser has deposited \$1,000.00 of earnest money into an escrow account, which amount is to be credited

towards the purchase price at closing should the Court approve the sale. Furthermore, Purchaser is in position to complete the sale and purchase of the Property contingent upon this Court's approval. Purchaser has agreed to pay the balance of the purchase price at closing, which is scheduled to take place on or before September 7, 2011, contingent upon this Court's approval.

The Receivership Estate will net \$100,000.00 in connection with the sale of the Property minus the Receiver's pro-rated share of real estate taxes (which are estimated to be approximately \$1,500.00). The Receiver believes that the Agreement with Purchaser is in the best interests of the Receivership, and accordingly, the Receiver respectfully requests that this Court enter an order in substantially the form attached as Exhibit 1, approving the sale of the Property.

MEMORANDUM OF LAW

The Court's power to supervise an equity receivership and to determine the appropriate actions to be taken in the administration of the receivership is extremely broad. *SEC v. Elliott*, 953 F.2d 1560, 1566 (11th Cir. 1992); *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986). The Court's wide discretion derives from the inherent powers of an equity court to fashion relief. *Elliott*, 953 F.2d at 1566; *SEC v. Safety Finance Service, Inc.*, 674 F.2d 368, 372 (5th Cir. 1982). The relief sought by the Receiver falls squarely within those powers. Furthermore, the relief sought is in furtherance of the duties and authorities bestowed upon the Receiver by the Order Appointing Receiver.

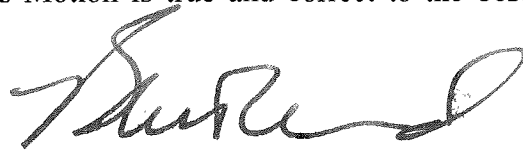
WHEREFORE, the Receiver moves the Court for entry of an order in substantially the form of the proposed Order attached as Exhibit 1 approving the sale of the Property to Purchaser in accordance with the terms set forth in the Agreement attached hereto as Exhibit 3; extinguishing any and all claims relating to the Property; and directing the Receiver to transfer title to the Property to the Purchaser via Receiver's Deed free and clear of all claims, liens, and encumbrances.

CERTIFICATE UNDER LOCAL RULE 3.01(g)

Undersigned counsel has conferred with counsel for the SEC and is authorized to represent to the Court that this motion is unopposed.

VERIFICATION OF RECEIVER

I, Burton W. Wiand, Court-Appointed Receiver in the above-styled matter hereby certify that the information contained in this Motion is true and correct to the best of my knowledge and belief.



Burton W. Wiand, Court-Appointed Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on September 2, 2011, I electronically filed the foregoing with the Clerk of the Court by using the CM/ECF system.

I FURTHER CERTIFY that on September 2, 2011, I mailed the foregoing document and the notice of electronic filing by first-class mail to the following non-CM/ECF participants.

Arthur Nadel
Register No. 50690-018
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Federal Correctional Institution
P.O. Box 999
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s/Gianluca Morello

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